Black Hawk County/P.P.N.E. Local 2003 (custodial) 2003-2004

BEFORE
JAMES R. COX
FACT FINDER

BLACK HAWK COUNTY

and

FACT FINDING
2005-2006 LABOR AGREEMENT

LOCAL 2003
PUBLIC, PROFESSIONAL AND
MAINTENANCE EMPLOYEES
UNIT III

DECISION AND RECOMMENDATIONS

Fact Finding in this matter was conducted April 8, 2005 in Waterloo, Iowa. The County was represented by Gary Ray, President of Ray and Associates, Brian Gruhn of the Gruhn Law Firm and Don Hoskins, partner in Fishel and Hoskins. The Union case was presented by Representative Joseph Rasmussen from District Counsel 81.

The dispute reached the Fact Finder following two negotiation sessions in November 2004 and mediation efforts on December 1, 2004 and March 18, 2005. The March 15th waiver was signed December 28, 2004 and May 15, 2005 was set for completion of impasse procedures. This Fact Finding is conducted in accordance with applicable provisions of Iowa Law and Iowa Public Employment Relations Board Rules. In making his recommendations the Fact Finder has considered and applied criteria set forth in Section 20.22(9) of the Act.

THE ISSUES

Six unresolved issues in this Maintenance Unit have been presented to the Fact Finder: Wages, Insurance, Leaves, Evaluations, Hours Worked and Dues/insurance deductions. In addition, the County asks that non-mandatory language set out in PERB Rulings 7029 and 7012 be deleted from the Agreement - that the Fact Finder declare

7012 be deleted from the Agreement - that the Fact Finder declare that "said language is removed from the Contract as per lowa Code Section 20.9 and the PERB Rulings specified in the County's Fact Finding Proposal." As A Fact Finder I need not make a recommendation on the inclusion or exclusion of any language declared non mandatory in these PERB Rulings.

My Recommendations are set forth following discussion of each issue.

HOURS WORKED

The County's position on the Hours Worked issues identified below is to maintain the status quo. The Union's final proposal has several components.

A change in the normal work week.

"Hours of Work and Overtime," are set forth in Article 16.
Section 1 states that the "probable work week will be forty (40) hours²". While they would retain the 40 hour provision in this Section, the Union proposes a reduction in the work week and a new definition of full time employee. Their final offer would add the following paragraph to Section 1.

The normal work week for a full time employee shall be thirty two hours or more with all benefits. The normal work week for a part time employee shall be less than thirty two hours with prorated vacation and insurance benefits. Part time employees working less than fifteen hours per week receive no benefits.

There has been a standard 40 hour workweek for full time employees in this Unit for several years. Citing previous County efforts designed to reduce the effect of the 40-hour provision, the Union asserts that the normal workweek for a full-time employee should be 32 hours or more and that employees working such a schedule should receive all the benefits currently provided full time employees. In 1996 there had been an unsuccessful County attempt to reduce the normal

¹ This is the term used by the PER Board and I use it here.

² "The term "probable" became a part of contact language in order to clarify the parties understanding that the normal workweek definition did not constitute a 40-hour guarantee

workweek with the stated objective of spreading the work and avoiding cutbacks. PPME finds additional support for their reduction in hours position in the insurance language. They argue that the County recognized 32 hours as a full time work criteria when they established a cut-off level for single insurance coverage.

Not one internal or external comparable measures full time employment with a 32 hour standard. While the Union proposal to reduce the work week would tend to reduce lay offs, the proposal would reduce take home pay and have significant benefit cost consequences. This is an issue of great impact, often called a break through issue, and there is insufficient evidence of any compelling need for the sought work week change.

Recommendation

In view of the cost implications and the <u>lack of any support</u> from the comparables, I recommend that there be no change in Article 16, Section 1.

Furnishing Replacements.

The sentence in Article 16, Section 8, "Employees shall not be required to furnish their own replacement in order to have their time off request approved" was unaffected by the PER Board Permissibility Ruling. The Union, primarily as a housekeeping matter, requests that this surviving wording be transferred to the shift definition provision in Article 16, Section 2 Their proposal makes sense.

Recommendation

I recommend that this language be inserted as a separate paragraph in Article 16, Section 2.

Fixed Shift Schedules

March 3, 2005 there was a preliminary PER Board ruling that bargaining over Hours Worked language which requires the County to post a work schedule is not mandatory. A provision in Article 16,

Section 2 that "the employee work schedule will be posted by the Employee three weeks in advance" was declared to be a non mandatory subject of bargaining.

Black Hawk County, as they have with other provisions declared non mandatory, asks that the sentence be stricken from the Contract. The Union also recognizes that posting time frames has been preliminarily found to be a permissive subject and "not eligible for consideration by a Fact Finder or Arbitrator." In these circumstances, I need not make a recommendation on the inclusion or exclusion of the aforementioned language in Sections 2 and 8 of Article 16 because of the Board's March 3, 2005 preliminary ruling. I describe this development as background for the following discussion.

The Union's final offer on this issue would contractually designate shift starting and ending periods and certain shift rotations for work divisions within the Bargaining Unit. The PPME proposal is designed to address the important need for employees to have advance notice of their work schedule. It is a response to the uncertainty resulting from the aforementioned PER Board Ruling on the work schedule notice. PPME states that, because of the County's "stripping of the current scheduling language, there is no alternative to using the mandatory format. The Union's proposal is designed to be nearly identical to the past scheduling practice for when employees and their various jobs started and their work day."

In addition to the advantage of providing employees with definite knowledge of their work schedules, the Union points to the importance of having a schedule in place in order to determine *regularly scheduled days* off, a factor in overtime computation. During the Hearing the County failed to provide the Arbitrator with any assurance that employees would be given notice of their work schedules as they had received under the prior notice language.

It was the express intention of the Union to propose set schedules as part of their final offer which would <u>be ":nearly identical"</u> to the existing County determined work schedules. They do not seek any changes in existing schedules. However, an examination of County 8 appears to show that, for the pay period March 27 – April 9th, Laundry and Housekeeping were working shifts not shown in the schedules proposed by PPME. There was also an apparent discrepancy

between the Building Maintenance Mechanic's actual schedule and that presented as an existing schedule by the Union. There was no schedule for the Building Maintenance Assistant assigned to Country View. County 8 identifies the schedules of two employees, Frank and Wayne, from Housekeeping and four employees from Laundry who are working rotations not covered by the Union proposal. The County did not contest the accuracy of other schedules.

There was no evidence that the present work schedules involve staggered starts except for the drivers or that there would be any significant increase in overtime costs as a result of the fixed schedules. While limited, there was testimony that pre and post shift overtime is being paid. The fact that certain classifications may have set start times would not affect the right to transfer employees to cover temporary vacancies, a concern expressed in a Memorandum submitted into evidence by the County which detailed operations in Unit III.

The County has informed me that there is a <u>pending negotiability</u> <u>dispute</u> and that the County has petitioned PERB for a Ruling. I have not been advised of any Ruling.

Recommendation

In these circumstances, I recommend fixed start times consistent with work schedules in effect at the time of the Fact Finding Hearing. I adopt the times described by the Union in their final offer to the extent that they were shown to be accurate. Those involved in transportation – the *Drivers at Country View – need not be put on a fixed work schedule but may be subject to flexible start times*³. Section 8 shall be modified by deleting present language and inserting those shift start times and rotations set forth in the Union's final proposal which accurately match the start times and rotations which had been set by the County for each classification as of the date of the Fact Finding. Any times and/or rotations stated in the Union Final Offer are to be modified where inaccurate or incomplete to reflect actual times and rotations. The schedule will have fixed start times

³ I recognize the importance of flexible starts in transportation. It may be necessary to change driver start times to accommodate patient needs such as providing transportation to a dialysis center.

except for the Driver classification where employees will work a schedule with flexible start times.

Annual shift/rotation bidding

The Union proposes that:

All full time employees in the above classifications which have more than one start time/shift or rotation shall submit start/shift and rotation preferences between January 1 and February 1 of each calendar year and shall be awarded such preferences in order of greatest seniority by March 1 of each calendar year. These bids shall become effective the pay period closest to July 1 of each fiscal year and any vacancies during the fiscal year shall be filled according to the procedure established in Article 8, Section 3.

There is presently no annual shift bidding. While the Union argues that in the Sheriff's Department, employees do bid shifts twice per year, there is no support from any of the other comparables for such bidding. Law enforcement duties vary by shift to a greater extent than in the Cleaning, Cooking, and Food Service groups where hours are standardized. Even in those situations there are minimum staffing restrictions on the bid which allow required number of specialists on each Watch, provide training and spread experience. There were several credible reasons set forth in the County Exhibit Memorandum which militate against adoption of a bid. There have been no changes in circumstances which would justify institution of a bid.

Recommendation

There is insufficient evidence to support the Union's proposal here. I recommend that there be no annual shift bid.

LEAVES OF ABSENCE

Sick Leave

Sick Leave is provided in Article 17. A sick leave occurrence is contractually defined as utilization of sick leave for scheduled work

time. For the first six occurrences during a fiscal year, the employee is paid sick leave for each consecutive day of the occurrence. For occurrences after the sixth, with certain exceptions, an employee is not paid for the first day of the occurrence. Furthermore, commencing with the seventh occurrence, not only is the first day unpaid but the remaining days may be paid as determined by the Employer. Payment for such sick leave days shall not be denied in a manner that is unreasonable, arbitrary, or capricious.

Pursuant to a Petition filed by Black Hawk County in Case 7029, March 17, 2005 the PER Board determined that provisions of Article 17, Section 3C, which had provided for various stages of progressive discipline commencing with the seventh occurrence of absenteeism were not "mandatorily negotiable".

The Union's proposal would extend the right of employees to receive additional sick leave. Their final offer would require that the first nine occurrences would be paid to the extent that the employee had available sick leave time. It would be only after "nine occurrences in a Fiscal Year had been used, that beginning with the tenth occurrence, the first day of each subsequent occurrence would be unpaid."

Recommendation

There is insufficient evidence to support an extension of the sick leave benefit. We do not know the extent of sick pay denied. We do not have a cost projection. Most importantly, there is a lack of internal or external comparability to support making the <u>first nine occurrences</u> fully paid. <u>I recommend that there be no change in the Sick Pay language</u>.

Union Leave

The Union proposes to add an Article entitled "Union Leave" that would provide employees designated as Stewards or Bargaining Unit Team Members with paid time off for time spent attending Collective Bargaining negotiations, mediations, fact findings, interest arbitrations and/or steps of the grievance procedure.

The Union contends that the proposal would formalize a practice which has protected employees from loss of pay during attendance at grievance meetings which a Supervisor elects to conduct during the employee's regular work hours.

Internal comparables, including the other two PPME Units in Black Hawk County, do not have such a paid Union time benefit. This broad demand for paid Union business time also lacks external comparability. As pay for time not worked, it is clearly irreconcilable with the current economic position of Black Hawk County. Moreover, The proposed language would extend the described practice to provide pay for Union time beyond that reportedly presently paid.

Recommendation

There is insufficient evidence to justify the sought expansion of paid Union time. I recommend that the status quo be retained.

Limitations on Leaves of Absence

Article 9, Section 1 presently provides for "leave of absence without pay for a period or periods not to exceed one continuous year including unpaid FMLA leave. Requests for such leave shall be made in writing to the employee's Department Head and shall not be unreasonably denied"

The County proposes to change that wording to require that an employee be granted a leave of absence without pay for a period of time that is mutually agreeable between the employee and the Department Head. Such language is represented by the County to be in effect in PPME Units 1 and 2 and in Secondary Roads. Three other County Bargaining Units do not have such a restriction in their Agreements. The County's proposal would make the determination on whether a leave should be granted up to the Department Head and eliminate the employee's right to challenge what might be consider an unreasonable denial.

Recommendation

The County did not present any evidence to justify such a substantial restriction on the use of leave of absence in this Unit.

There is no evidence of any abuse of existing provisions. <u>I recommend</u> that the status quo be maintained.

FMLA

Section 6 of the second paragraph of Section 1 provides, among other things, "the County may not designate leave taken pursuant to the Agreement which was not requested under the FMLA as FMLA leave." The County proposes to eliminate this restriction. Such a restriction, they assert, is in the Unit 1 and Unit 2 Labor Agreements. It is not in Contract language in any of the other County Units.

FMLA Regulations do allow employers to require employees to use all accrued paid time off during any unpaid portion of FMLA leave. Under the Law substitution of paid leave time for unpaid leave time does not extend the 12 week FMLA Leave period. Such an option may be restricted as it is here. There is no evidence of the reason this restriction came into the Contract – whether it was a trade off - and whether there are presently different circumstances. We do not know how many employees have taken FMLA Leave. We do not know what, if any, quid pro quo may have been exchanged for the elimination of the restriction in Units 1 and 2. There is no projection of cost savings.

The County has not shown any justification for its proposal other than the fact that other PPME Units have such a provision in their Contracts. Employees in each Unit had different interests and responsibilities and, by virtue of having a separate bargaining Unit, have the right to negotiate their own Contract. That Unit III should have the same FMLA language as the other two Units is not a persuasive argument for change especially when there is lack of uniformity within Black Hawk County Units.

Recommendation

There has been no demonstration of any justification for such a benefit change <u>in this Unit</u>. <u>I recommend that the language remain as in the present Agreement.</u>

Casual Days

A Casual Day Benefit is described in Article 21. A Casual Day is presently provided subject to approval by the Department Head or his representative at least 24 hours prior to the day requested "except in emergencies.". It is stated that. "The County cannot unreasonably deny a Casual Day request."

The County would add language defining an "emergency". "An emergency shall be defined as a sudden, unforeseen and unexpected happening or occurrence requiring the employee's attendance". As in the case of the FMLA restriction, this proviso is in Unit 1 and 2 Contracts but not in any other Black Hawk County Labor Agreements. Whatever the justification may have been for the inclusion of the definition in the two PPME Contracts, there is no evidence of any prior problem with respect to the term "emergencies" in this Unit or in any other Unit which would warrant adoption of the language proposed in the Employer Final. There is no other justification for a modification.

Recommendation

Under the circumstances, I see no reason to change existing language by adding a definition of emergency. <u>I recommend the status</u> quo.

EVALUATONS

While the County would maintain the status quo with respect to Article 22 evaluations, the Union would insert a provision eliminating performance evaluations for Bargaining Unit employees effective July 1, 2005. Articles 22 and 36 operate in tandem with respect to evaluations.

There is no evidence that Bargaining Unit employees have been disadvantaged by the evaluations or that they have been conducted in an unfair manner. Current language gives an employee the right to grieve a below average evaluation if it results in the loss of an opportunity to move up on the salary schedule. There is no indication that evaluations have been made in an arbitrary or capricious manner. Moreover, there was no evidence of the number of below average evaluations which have resulted in step increase denials. No problem

with this procedure has been identified. There is no evidence as to how many employees, if any, have had Step increases denied in recent years.

It is not an unusual personnel practice to tie advancement on the salary schedule to the outcome of an evaluation. It is not unreasonable to expect employees to maintain at least average performance to merit a Step increase especially in cases where the schedule has relatively significant Step increases as in this Contract.

While they do not make any uniform evaluation form proposal, the Union expresses concern that each individual administrator <u>might</u> devise his own evaluation scheme. Such conduct would make the County vulnerable to charges of disparate treatment.

Recommendation

There is insufficient evidence to justify a change in Article 22 language. I recommend that there be no such change.

A Grievance limitation

The County's final Offer with respect to Article 9 is to delete the last paragraph which provides that violations of FMLA or State Laws pertaining to family and medical leave shall be subject to the Grievance and Arbitration provisions of the Agreement.

In their preliminary ruling on negotiability issued March 17, 2005, the Iowa Public Employment Relations Board determined that this language was not mandtorily negotiable. Consequently, I need not make a recommendation on the inclusion or exclusion of this Article 9 language.

WAGES

The Wage Increase.

Article 21, together with Exhibits A and B, sets forth job classifications, pay grades, and rates of pay.

The primary difference between the parties on this issue is the amount of increase. The County proposes that the 2006 Fiscal Year Salary Schedule shall be raised 1-1/4% over the previous Fiscal Year's Schedule and, in addition, that eligible employees receive in-grade pay increments pursuant to Article 36.

The Union's final position is that the Salary Schedule be boosted by increasing "each hourly wage rate by 5% effective July 1, 2005, with automatic Step advancement" each year for all eligible employees." They would change qualifications for the in-grade increments with language that would read, "in-grade increments shall be granted automatically based on length of service in the Bargaining Unit."

Article 36 Increments

The Fact Finder has previously addressed the Union's automatic step progression contention with his recommendation that there be no change in Article 22 and that language which ties advancement on the salary scale to an average evaluation remain unchanged. Article 36 compliments the evaluation language and specifically makes eligibility for in-grade increments contingent upon "satisfactory work performance in addition to length of service in the Bargaining Unit. The performance of an employee shall be evaluated by his Supervisor prior to his being considered for each pay grade increment. The employee must have an overall rating of average or higher for an ingrade increment to be granted." Incremental pay adjustments are to be made "at the beginning of the anniversary date of the qualified employee."

Proposed Wage Increases

Both the County and the Union made remarkably thoughtful, comprehensive presentations of comparative income and expense data. There is no question, based upon the figures set forth in the presentations, that Black Hawk County, while not in a desperate financial condition and not asserting an inability to pay, does <u>not</u> have funds which would warrant a substantial wage increase this year. A review of increases to date at external comparables demonstrates further that there is insufficient evidence to find that Black Hawk County should increase wages in this Unit to levels sought by the

⁴ As noted, PPME would remove the performance evaluation contingency for a Step Increase.

Union in their Final Offer. Such an increase would be neither prudent nor in line with increases provided similarly situated employees among the external comparables.

In costing the proposals, I do recognize, as the Union pointed out, that Step increases are based upon employee seniority dates and consequently such costs are spread over the entire year. I also note that, due to reductions in force, a number of lower seniority employees who would otherwise have been progressing through the Steps have been laid off. The Union projects that there are only ten employees who would receive Step increases during the next Fiscal Year and that half of those are part-timers. The County states that <u>6 of the 49 employees in the Unit will receive the 5% Step increases during fiscal 2006</u>.

Internal comparable increases <u>during recent years</u> fail to support either Offer⁵. We do note that County Attorneys, as the County stresses, did not receive any increases over two years. This apparent anomaly was described by an Arbitrator as a "special circumstance situation."

A historical view of wage settlements <u>among Black Hawk County</u>

<u>Bargaining Units</u> included a review of both increases in the eight unionized Units as well as adjustments for non-Bargaining Unit personnel. Each party presented such a perspective. There are minor differences between Union and County figures⁶

Examining the three County Units represented by PPME and increases received in those Units during recent years, we find that in 2005, all three received 2% raises, a pattern consistent throughout Black Hawk County Units that year, (except in the special circumstance that the Parties refer to in Unit 6 – the Attorney's Unit.) In Fiscal Year 2004, through Arbitration, Unit 3 received a greater increase than Unit 2 but a smaller raise than Unit 1, For Fiscals 2001, 2002, and 2003, each of the three PPO Units received identical

⁵ The Union acknowledges that their proposal for a 5% raise was designed to be a "buffer against insurance increases being forced upon employees that they cannot afford." They express concern that these negotiations would bring a negative effect on take-home pay considering not only the substantial increase in employee contributions, greater out of pocket sharing and the elimination of the uniform allowance. They stated that the County's wage proposal is the equivalent of \$.14 per hour.

⁶ For 1999 the Union shows a 3.25% increase while the County reports only 3.0%.

percentage increases. In Fiscal 2000, Unit 3 received a greater percentage increase than Units 1 and 2and for Fiscal 1999, there was a greater increase in Unit 3 than in Unit 2. As mentioned, because the duties and responsibilities vary from unit to unit and there are different external comparables for each, wage differences between the PPME Units would not be unexpected.

Of equal import is the relationship of increases between Unit III and non-PPO Bargaining Units⁷. Going back to 1993, we find a 4% wage settlement that year in this Unit although wage resolutions in other Units were 3%. It is noteworthy that there were identical percentage increases from Fiscal 1994 through 1997 - 1994 (3.5%), 1995 (4%), 1996 (2.5%) and 1997 (3%). In 2005 all PPO Units received 2.0% along with other represented employees (with the exception of the Attorney's Unit). For Fiscal 2006, thus far we find settlements of 2.25% in both of the PPME Units and in two non-PPME Units. There is a 3.5% increase in the Attorney's Unit, which may be attributable to the lack of increases the previous two years. There is a 2.35% increase in Unit 7, the last year of a two-year Agreement.

These figures show that, with few exceptions, there have not been any wage increases in a Black Hawk Bargaining Unit as great as that sought by the Union here (except for Unit 8 in Fiscal 1992) or as small as offered by the County. In the late 1990s, non-Bargaining Unit employees twice received 5% increases. As the Union pointed out, percentages do not have the same significance as cents per hour increases and do increase the spread between lower and more highly compensated employees.

Among Black Hawk County Units, this Maintenance Unit ranks last with an average wage of \$11.78. They fare better among external comparables. Let's look at the classifications.

There was an overall 3.25% increase at Sunnycrest Manor in Dubuque. However, that facility appears to have a lower wage base than Country View. In that Unit the <u>Food Service Workers</u> have a rate range of \$7.38 to \$9.86 compared with \$8.75 top and \$10.68 bottom rates at the Black Hawk County Care Facility. <u>Cooks</u> have a \$9.14 start rate in Dubuque compared to \$10.15 here and the Black Hawk top rate

⁷ I do not see any basis for the finding of Fact Finder Wiant comment in his May 2004 Decision that historically all units in Black Hawk County have settled for the same package

is 12.35 while Dubuque's is \$12.04. Dubuque <u>Building Cleaners</u> have bottom and top rates of \$7.53 and \$12.01 while wages at those levels in Black Hawk are \$9.23 and \$11.76. Looking at the Maintenance Mechanic wages we find an <u>even bigger advantage</u> to working in Black Hawk County. That semi skilled classification in Dubuque is making between \$10.94 and \$14.29 compared with \$15.01 and \$18.26 here. The reported rates for this classification include longevity.

Rates in <u>Maintenance</u> rank high among similarly classified employees in the six County comparison group. However, while <u>Cooks</u> are paid relatively well to start, at their top rate of \$12.35 they behind those who do that work in Linn, Johnson and Pottawattamie Counties. There is a similar pattern for <u>Building Cleaner</u> Wages – comparatively good to start but with a top rate of \$11.76 which ranks them behind all the other Comparative Group Counties who report rates - \$13,19 (Linn), \$12.01(Dubuque), \$12.58 (Johnson), \$13.61 (Scott), \$12.19 (Woodbury)⁸.

The County correctly points out that it would not be reasonable to compare Black Hawk wages with those performing similar work in the more financially prosperous counties of Linn, Johnson and Polk. Across the board increases in more relevant Counties shows #% over the year in Clinton, Woodbury at 2.7% and Pottawattomie with a 2.5% settlement.

Recommendation

Having considered all relevant wage factors reviewed above, I recommend an across the board increase of 2.25% for Unit employees plus step movement.

INSURANCE

Coverage Effective Date

Coverage currently commences <u>upon completion of an</u>
<u>employee's probationary period</u> – a period of 90 continuous calendar days. The County proposes that coverage be provided only "after the

⁸ Pottawattamie county contracts out this work.

⁹ Because of their anniversary dates 6 of the 49 Unit employees will have Step Movements in fiscal 2006.

initial 90 days of employment in Article 8, Section 2." There is insufficient evidence to justify any change in the coverage language of Article 23, Section 1. If there is some administrative convenience, it was not made apparent during the Hearing.

As recently as 1998, Black Hawk County employees were not being required to contribute toward the cost of their health insurance. During the years when there was unusually rapid acceleration of insurance costs, employees in this Unit were fortunate to have a practically cost free insurance benefit. From that point the County took progressive steps to increase employee cost participation. They seek major increases in employee's contributions during this Contract term while keeping wage increases in line as seen above.

Employee Premium Contributions and Co- Pay.

In their Final Offer, Black Hawk County proposes to increase single coverage contributions from \$25 to \$50 and raise dependent coverage contributions to \$150 from the present \$50.00. They would double doctor's office co-pay and deductibles from the current \$10 to \$20 and from \$250 for single and \$500 for family to \$500 and \$1,000 respectively. There is general agreement on the proposal to provide for equal monthly deductions of both union dues and employee insurance payments.

The Union Final Offer does not recognize increasing insurance costs and County funding levels. They would maintain the current \$25 single contribution but would increase the dependent coverage contribution from \$50 to \$60. Co-pay required for office visits would be eliminated entirely. They propose no change in deductibles.

To implement the joint objective of leveling deductions, PPME would delete the provision in Article 23, Section 1 which reads, "The County shall deduct the monthly contribution from the second payroll check of the month?" and substitute, "The County shall deduct the employee's monthly contribution for that month's coverage from the employee's first and second paychecks of each month in as equal amounts as possible.".

As an insurance cost containment alternative, the Union proposes that the County make a monthly contribution equal to fifty

percent of the difference between single and family coverage premiums to an annuity <u>for each employee who selects single coverage</u> only or changes from family to single coverage.

Present out of pocket costs for Preferred Provider coverage include deductibles of for \$250 single/\$500 family, \$10 for PPO office visits, co insurance of 85/15%, geriatric co-pay of 20%, co-pay for formulary at 20% and for non-formulary at 40%. The out-of-pocket maximum is \$750 with an aggregate family out-of-pocket of \$1,500.

Internal Comparative Contribution Increases

As stated above, among Black Hawk County Units, this Maintenance Unit ranks last with an average wage of \$11.78. Such a wage level may justify lower out of pocket costs in Unit III than in those Units with more highly compensated employees. Of the 49 employees in this Unit, 44 have currently elected insurance coverage – 17 contribute to single coverage costs and 27 have family coverage. Were the Union Final Offer adopted, employee contributions in this Maintenance Unit for single coverage would still be at a greater percentage than contributions made by employees in the Attorney Unit and at the same level as higher paid employees in the Clerical, Nursing and Sheriff Units. The County seeks contribution equivalents of 11.8% for single and 14.1% for family, higher - in many cases almost double than in any other organized Black Hawk Unit. It is difficult to reconcile this outcome with the fact that the Unit receives has the lowest average wage rate of these County Units. From the County perspective, all Units except the county attorney are contributing more for both single and family insurance than proposed by the Union. The date shows that half (4) of the 8 Units have single employee contribution percentages equal to or less than (the 4.7% in the Attorney Unit) the 5.9 which would be contributed under the Union Offer despite their higher wage rates¹⁰. However, with respect to the more expensive family coverage, those in this Unit, except for the Attorney and Conservation Units – the two Units not being bargained this year – we find percentage of premium paid by employees to be less that the percentages paid by those in other Units.

While the County seeks <u>an increase in single coverage</u> <u>contributions</u> from \$25 to \$50 in fiscal 2006 negotiations, only in the

¹⁰ One of these is the Sheriff Unit awaiting Arbitration.

Secondary Roads Unit has any rate above \$25 been agreed upon in Fiscal 2006 negotiations. Conservation went from \$25.00 to \$45.00 as part of their two year Agreement last year. In the second year of their Agreement, Roads employees received a 2.75% (\$.40) increase, a greater percentage increase on a bigger base than proposed here. There contributions for single coverage were increased from to \$35.00 from \$25.00. Attorneys remain at \$20.00 - the third year of their Contract - and this issue has not been negotiated since 2003. The Sheriff's Unit would remain at \$25.00 were the Fact Finder's Recommendation on this issue is adopted.

\$75 rates for Fiscal 2006 for <u>family coverage</u> have been agreed upon in three Units - Secondary Roads¹¹, Clerical and Nursing. There has been a Fact Finder Recommendation of \$75 for the Sheriff Unit. There is a \$50 family coverage contribution rate in the Attorney Unit and \$70 in the Conservation Unit was negotiated last year. Unit 8, Health is negotiating. There, as in Health, contributions toward family coverage went from \$12.50 to \$50.00 in Fiscal 2005.

While the Plans among external comparables are mostly non-contributory for singles, the two Counties that do require contributions – Linn, Scott and Pottawattamie - require average contributions for family coverage greater than being made in this Maintenance Unit. I note that those working at Crestview – the most comparable group for many in this Unit, are covered by a non contributory Plan. There was a reported rate increase of 6.3% there. While this Unit may be ahead in average wage rates as discussed above, their insurance costs are substantially higher. I recognize that there is no evidence of the benefit levels provided Crestview personnel.

Out of Pocket Increases

With respect to <u>doctor office visit co-pay</u>, the Union would <u>eliminate</u> the present \$10 rate rather than increase to the \$20 level sought by the County. County Units 1, 2, 6 and 7 each have \$10 co-pays for Fiscal 2006 and in Secondary Roads employees pay \$15. There is no County Unit where the \$20.00 level of co-pay is in effect. In Sheriff's Unit, the Fact finder's recommendation of \$20.00 has been taken to Arbitration but the County advises that each party has

¹¹ There will be an increase to \$100 in the Roads Unit the second year. (County IN -6)

proposed \$20.00. Only two of the Comparable Counties have co-pays as high as \$15 and four do not have any.

PPO Plan <u>Deductibles</u> of \$250/\$500 are in effect in Units 1, 2, 6, and 7. There is no change proposed in Non-PPO deductibles which are now \$600/\$1200. The Teamsters have agreed, in the Secondary Roads Contract, to \$500/\$1,000 levels as has been recommended by the Fact Finder in the Sheriff Unit. Current levels in the Health Unit were not shown.

While insurance modifications were shown to have been made in comparable external Units, they have little meaning without an understanding of wage levels, bargaining history and comparative plan benefits often referred to as plan designs. Nevertheless, within the Comparative Group, it is only in Johnson County, a relatively affluent employer, that there is a \$500/\$1,000 deductible. There the wage increases were reported as exceeding 3%.

Recommendation

This Fact Finder recommends employee contributions toward single coverage remain at \$25 for single but contributions for family coverage be increased to \$75, that the existing co-pay of \$10 per office visit and the deductible levels of \$250 single and \$500 family be retained without change. There is no basis for adoption of the annuity proposal.

DUES DEDUCTION

During Fact-finding the parties reached agreement on this issue which had been previously addressed in a Letter of Understanding.. Accordingly, Article 30 shall be modified by insertion of the following language. "The County shall deduct the monthly contribution for Union dues from the employee's first and second paychecks of each month in as equal amounts as possible." This outcome is similar to the approach taken with respect to insurance contribution deductions under Article 23.

Recommendation

I recommend that this language in incorporated into the Article 30.

The aforementioned recommendations have been made consistent with applicable provisions of the Iowa Public Employment Relations Act.

Arbitrator

Issued this 22nd day of April 2005.

CERTIFICATE OF SERVICE

I certify that on the 22nd day of April 2005, I served the foregoing Award on each of the parties to this matter by mailing a copy to them at their respective addresses.

Gary Ray, Esq.
Gary Ray and Associates
4403 First Avenue SE
Suite 407
52202
Cedar Rapids, IA 50402

Joe Rasmussen PPME P.O. Box 69 Alburnette, IA

I further certify that on that same date, I served this Award for filing with the Iowa Public Employment Relations Board by mailing a copy to their offices at 510 East 12th Street, Suite 1B Des Moines, Iowa 50319-0203.

Fact Finder

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